Chapter 6: Pay Rules

Overview

The authority for the establishment and administration of a uniform pay plan is contained in Article X, Section 10(A)(a) of the Louisiana Constitution and in Chapter 6 of the Civil Service Rules. The uniform pay plan regulates the compensation of all classified state employees. It is developed after taking into consideration several factors, including market conditions and practices of market competitors. Changes to the Chapter 6 Pay Rules, because they affect the compensation of state classified employees, require approval of both the Civil Service Commission and the Governor. This chapter contains both operational and optional pay provisions and provides information regarding all of the mechanisms and pay flexibilities available for compensating state classified employees.

HR Impact

Chapter 6 Pay Rules is probably one of the most important chapters to the HR professional. The various pay options available within these rules allow the agency head to strategically plan compensation for his employees as well as develop and establish programs and procedures to motivate and reward employees. These pay rules address recruitment and retention issues, market conditions, pay for performance, pay for special conditions and situations, in addition to the regular compensation provided to employees for hiring, promotion, reallocation, etc. It is incumbent upon the HR professional to thoroughly understand the purpose, use and application of the various compensation rules in order to provide sound recommendation to agency heads.

Civil Service Rules provide the framework and parameters for compensating classified employees. HR professionals are responsible for ensuring accuracy and timeliness in compensating employees understanding the impact of payment errors. HR is obligated to protect the integrity of the data.

In 2000, State Civil Service provided direction to the agencies on the single, standard method of calculating salary for classified employees. A job aid is provided in <u>Job Aids & Resources: Calculating Pay for Classified Employees</u>.

Rule-By-Rule Review

Rule 6.1 Philosophy

This rule establishes the philosophy of the merit system in Louisiana state government. The authority for establishing and administering a uniform pay plan is contained in Article

<u>X</u> of the state constitution. Having a uniform pay plan means that pay is consistently applied and conforms to one standard or rule for all of its employees. The uniform pay plan is developed after taking into consideration the factors listed in Rule 6.1 – availability of applicants, the quality of the applicant pool, turnover rates, federal law, market competition, pay practices of market competitors, the evaluation system ranking, employee performance, and level of funding available. The state will not be a market leader, but for the most part, will follow the market.

Rule 6.2 Preparation of Pay Plan

(a) The Director conducts cyclical reviews of the six pay schedules and makes recommendations regarding changes. In addition, the Director will submit to the Commission for its approval a uniform pay plan, or amendments thereto, for the classified service. Before submitting the plan or amendments, the Director consults with appointing authorities and the state fiscal officer while also conducting necessary research.

NOTE: Amendments may originate from the Director or from requests made by state departments. Such requests are generally based on changes that have occurred in the duties and responsibilities as a result of reorganization or job redesign, or the assertion by the agency that the value of the job in the market place has changed. Further information regarding Amendments may be found in <u>Job Aids and Resources: Pay Plan Amendments</u>.

(b) This rule requires the Director to submit to the Commission annually a recommendation for a pay structure adjustment.

Rule 6.3 Adoption of Pay Plan

This rule requires any changes or amendments that impact the structure of the pay plan that are recommended by the Director are to be submitted to the Commission for consideration at a public hearing. Notice of the public hearing must comply with <u>Civil Service Rule 2.5</u>. Upon adoption, the Commission specifies the manner in which the pay plan is to be implemented. This provision is in the rules to prevent unconstitutional or inequitable implementation.

When the Commission adopts a pay plan or amendment to the plan, it can only become effective after approval in its entirety by the Governor. If the Governor rejects any portion of the plan sent by the Commission, then none of the plan is approved. Civil Service Rule 6.3(a), (b), (c) and (d) describe the process required in the adoption of a pay plan.

State Civil Service Pay Structures

The State Civil Service pay structures are also known as the pay grids. There are six pay structures within the State Civil Service Pay Plan. Each structure contains jobs that have similar occupational characteristics.

- 1. Protective Services (PS-101 PS-127)
- 2. Technician and Skilled Trades (WS-201 WS-225)
- 3. Scientific and Technical (TS-301 TS-327)
- 4. Social Services (SS-401 SS-427)
- 5. Medical (MS-501 MS-531)
- 6. Administrative (AS-601 AS-629)

NOTE: Examples of pay plan changes include, but are not limited to, an adjustment to the pay structure, an increase for a limited duration, a general increase and/or new, revised or abolished jobs. Additional information regarding pay plans may be found in <u>Job Aids and Resources: Pay Plan – Related Items</u>.

Rule 6.3.1 Other Compensation

The purpose of this rule is to provide for the regulation of all cash payments to classified employees, such as housing allowances, food allowances, and other similar allowances.

NOTE: Position Earnings Types were established to designate which positions were entitled to other compensation. The list of Position Earnings Types can be found in <u>Job Aids and Resources: Other Compensation – Position Earnings Types</u>.

Additionally, Chapter 6 provides authority for compensating state classified employees. The pay rules are either operational rules (required) or optional rules (discretionary). For additional information on which rules are operational and which are optional, look in <u>Job</u> Aids and Resources: Operational Rules vs Optional Rules.

Rule 6.4 Rates of Pay in the Pay Plan Plus Base Supplement

- (a) This rule provides for each job having a range minimum and range maximum.
- (b) This rule provides for each employee to be paid at a range within the range for the grade assigned to his position, or at a rate within the base supplement approved for his position.

NOTE: Base Supplement, as defined in <u>Chapter 1</u>, is an additional pay above the range maximum when market and employment conditions require such an extension. This pay mechanism can only be authorized by the Commission and approved by the Governor under limiting factors.

Rule 6.5 Hiring Rate

This rule requires all pay upon employment to be at the minimum of the pay range established for the grade of the job to which the position is allocated. There are exceptions to this general rule. They are:

- **(a) Job or Probational Appointment** When an employee who is serving in a job or probational appointment and is probationally appointed to a position with the <u>same job title in the same department without a break in service</u>, his pay shall not be reduced.
- (b) Special Entrance Rate From January 2, 2018, to June 30, 2018, please refer to CSR 19.3(b) and the Transition Guidelines
- **(c) Re-entering the Classified Service** This rule is referred to as the "former rate earned" rule. It allows an Appointing Authority to compensate an individual at any amount in the pay range that does not exceed the highest salary the employee previously earned while serving with permanent status in a classified position. In other words, an employee who resigns with permanent status retains eligibility to the highest pay he held with permanent status. So, when the employee returns to state service, and is hired in a classified job, his pay may be set anywhere in the range assigned to the job in which he is employed as long as the rate does not exceed the highest rate earned while serving with permanent status. However, the rate cannot exceed range maximum.

NOTE: An agency may, at any time, adjust an employee's rate of pay, under Rule 6.5(c), up to the highest rate earned while serving with permanent status.

- **(d)** Classified When Actually Employed (WAE) Appointment When an appointing authority makes a classified WAE appointment, he may set the pay of the employee at any rate in the range.
- **(e) Return From Military** An employee who leaves state service for military service should be treated upon his return as though he had never left, for pay reasons. If his position has undergone any pay adjustments, his pay must be adjusted accordingly. For performance adjustments, the appointing authority has no discretion. If the appointing authority grants performance adjustments to employees, this employee's pay shall be adjusted accordingly.
- **(f) Agencies Administering Federal Funds** This rule specifies conditions in which the Appointing Authority is authorized to pay the minimum wage prescribed and required by federal rules, statutes, regulations, and/or judicial decisions when this rate exceeds the minimum rate provided for elsewhere in the Civil Service Rules. For example, if a certain U.S. Housing and Urban Development (HUD) minimum hiring rate is above the State Civil Service minimum for a job, a Housing Authority must pay the higher minimum as Federal law supersedes all Civil Service Rules.
- (g) Extraordinary Qualifications/Credentials From January 1, 2018, to June 30, 2018, please refer to CSR 19.3(a) and the Transition Guidelines.
- **(h)** Reentering the Classified Service Without a Break In Service Permanent employees who are required to accept probational appointments in lieu of a promotion may receive the promotional pay at the time of hire or within one year of hire.

Rule 6.5.1 Pay Upon Appointment From a Department Preferred Reemployment List

This rule addresses the pay of an individual appointed to a job from a department preferred reemployment list. This rule states that the pay for an employee hired under this rule shall not be set higher than his pay at the time of the layoff or displacement action, or at his current rate if such rate is higher based on other provisions of Civil Service rules. The pay shall not be set higher than the maximum of the pay range, or maximum plus base supplement authorized for the position.

NOTE: Hiring from the DPRL occurs after one of two (2) events – either a Layoff action, which includes relocation to a lower level job or separation from employment due to the layoff, or reallocation downward due to business reorganization. Pay upon reemployment from the DPRL depends on which action caused the employee to be placed on the DPRL.

Rule 6.6 Market Grade Adjustment

Rule 6.6 allows the Director of State Civil Service to assign a job to a different pay grade with a more competitive pay range when the current pay grade is either not sufficient to compete with prevailing market conditions or is found to exceed prevailing market rates. A market grade adjustment may be initiated by State Civil Service or requested by an agency to address jobs that exhibit systemic, chronic staffing problems and have an above average turnover rate.

In general, Market Grade Adjustments are only granted after an agency has tried other pay mechanisms such as Special Entrance Rates or Premium Pay.

NOTE: When an agency determines that a market grade adjustment is necessary, the agency should complete and submit a request to State Civil Service via the <u>Job Study Request Form</u>. Additional Market Grade Adjustment guidelines may be found in <u>Procedures: Market Grade Adjustment Policy Standards</u>.

Rule 6.7 Rate of Pay Upon Promotion

This rule addresses the pay of employees upon promotion. If an employee is promoted to a job with a higher range maximum in the same pay schedule, the amount of the pay increase is determined by agency policy in accordance with this rule.

- (a) This rule requires at least a 7 percent increase in base salary when there is a promotion to a higher grade regardless if it is one grade or more.
- (b) This rule sets out the following:
 - When an employee is given a one grade promotion his pay shall increase by 7 percent.

- When an employee is given a two grade promotion his pay may be increased in an amount not to exceed 10.5 percent.
- When an employee is given a three or more grade promotion his pay may be increased in an amount not to exceed 14 percent.
- An employee shall not be paid below the minimum of the higher range.
- **(c) Three-year eligibility rule** If an employee is not paid the maximum amount for which he is eligible, he retains eligibility for a period of three years from the effective date of the promotion. Payments granted under this rule may only be paid prospectively and not retroactively.

If an employee's pay is "red circled" (frozen above the maximum of the range, or above the range plus base supplement authorized for the position from which he is promoted), the maximum of the range, not the red circle rate, is the rate used to determine pay upon promotion.

- **(d) Promotion Following Detail** When an employee has been detailed with pay to a higher job and then is promoted to the same job or to a job with an equivalent or higher pay level, the employee shall not be paid less than he earned on detail.
- **(e) Promotion Between Schedules** If the promotion is to a job in another pay schedule that has a higher range maximum, the promotional increase is based upon the percent difference of the range maximums as calculated with the following formula:

Percentage Difference = (New Maximum divided by the Old Maximum) - 1

- If the percent difference is less than 14%, the employee shall receive a 7% increase to the base salary.
- If the percent difference is at least 14% but less than 21%, the employee shall receive a 7% increase and may receive an amount of up to 10.5% of the base salary in accordance with agency policy.
- If the percent difference is 21% or greater, the employee shall receive a 7% increase and may receive an amount of up to 14% of the base salary in accordance with agency policy.

Example:

The current job is Health Information Processor 3 at the pay level of MS-509 with a pay range of 10.56/hr - 21.11/hr. The new job is Administrative Coordinator 4 at the pay level of AS-611 with the pay range of 11.62/hr - 24.46/hr.

Utilizing the formula listed above, the calculation is as follows:

Percent Difference = (\$24.46/\$21.11)-1 = .1587

Percent Difference = 15.87%

Since the percent difference is greater than 14%, but less than 21%, the employee would be eligible for a promotional increase of up to 10.5%.

(f) Promotion Involving Base Supplement — When an employee is promoted from a position with a base supplement to a position without a base supplement, and the employee's current pay falls within the base supplement of the former position, the employee's promotional pay is calculated based on the maximum of the pay range of the former position.

Rule 6.8 Pay Upon Reallocation

Reallocation is defined as a change in the allocation of a position from one job to another. This rule applies when an incumbent's job allocation changes, but the position number remains the same.

- **(a) Reallocation to a Higher Grade** If an employee's position is reallocated to a job with a higher maximum, his pay is determined as though it were a promotion under Rule 6.7.
- **(b) Reallocation to a Lower Grade** If an employee's position is reallocated to a job with a lower maximum, his pay will not change. If his pay is above the maximum of the lower range, he will be "red circled" in accordance with Rule 6.15.
- **(c) Reallocation to an Equivalent Grade** If the employee's position is reallocated to a job with an equivalent maximum, his pay will remain the same.
- **(d) Reallocation Involving Base Supplement** If the employee's position is reallocated to a job with an equivalent or lower maximum and the base supplement is reduced or lost, then the pay will be no higher than the current salary and at the higher of the following:
 - 1. At the range maximum for the new job, employee's pay is red circled in accordance with Rule 6.15
 - 2. Within the base supplement for the new job

Rule 6.8.1 Pay Upon Job Correction or Grade Assignment

This rule applies when an employee's position is assigned to a different pay grade through mechanisms such as a job correction or market grade adjustment. Job corrections typically occur as a result of changes made to the job specifications or allocation criteria through a job study by State Civil Service. The Director may approve market grade adjustments when the existing pay range to which a job is assigned is either not sufficient to compete with prevailing market conditions, or is found to exceed prevailing market rates.

(a) Job Correction or Grade Assignment to a Higher Grade — An employee's pay shall not change if a job is assigned to a higher grade or allocated to another job with a higher

range maximum in the same or different pay schedule. However, the employee must not be paid below the minimum of the higher range.

- **(b) Job Correction or Grade Assignment to a Lower Grade** An employee's pay shall not change if a job is assigned to a lower grade or allocated to another job with a lower range maximum in the same or different pay schedule. This rule is subject to Rule 6.8.1(d) and Rule 6.15.
- **(c) Job Correction or Grade Assignment to an Equivalent Grade** An employee's pay shall not change if a job is assigned to an equivalent grade or allocated to another job with the same range maximum in the same or different pay schedule. This rule is subject to Rule 6.8.1(d).
- **(d) Job Correction or Grade Assignment Involving Base Supplement** If an employee's position is job corrected or if his job has a pay grade change which affects the current base supplement authorized for the position by causing it to be lost or reduced, then the pay will be no higher than the current salary and at the higher of the following:
 - 1. Pay will be set at the range maximum (this is the red circle rate.)
 - 2. Pay will be set within the range maximum plus the base supplement for the new job (this is not a red circle rate.)

Rule 6.8.2 Pay Upon Relocation

This rule pertains to the status of an employee's pay upon movement to lower jobs as a result of a layoff. First, pay reductions must be uniform in their percentage for all affected employees. For example, if a 15% pay reduction is proposed, then all employees who are relocating to lower level positions must have a 15% reduction in pay. Following the reduction, when an employee's **pay is above the maximum of the range**, the appointing authority has two (2) options for employees who are similarly situated in a layoff as follows:

- 1. The pay of affected employees may be reduced to range maximum, or
- 2. The pay of affected employees may be set at the red-circle rate

Application different than what is allowed in this rule requires an exception to be approved by the Civil Service Commission approval.

NOTE: An employee's pay shall not be reduced to an amount that is below the range minimum for that position or the current Federal Minimum Wage.

Rule 6.9 Pay Upon Transfer or Reassignment

This rule pertains to all transfers or reassignments affecting employees. Transfer is defined by Rule 1.41 as "the change of an employee from a position in one department to a position

in another department without a change in <u>probational or permanent status</u> and without a break in service of one or more working days."

NOTE: The term "transfer" is used in a variety of ways when affecting employee movements. The Civil Service Rules clearly authorize transfers of classified employees in Chapter 22 and Chapter 23. Pay upon transfer of a classified employee is authorized in Chapter 6. Eligibility and authority for transfers are only applicable to the probational or permanent classified employees who have no break in service of one or more business days.

The word "transfer" in HR Information Systems, such as LaGov, has a different meaning and intent. Transfer is a system action that provides for an integrated and seamless process when the employee moves from one personnel area to another. It does not align with and has nothing to do with the action or pay authority of the employee's movement. Additional information regarding the term "transfer" may be found in <u>Job Aids and Resources: LaGov HCM Actions vs Personnel Actions</u>.

- **(a) Transfer to Equivalent Grade** This rule is intended to protect the salary of an employee who transfers without promotion or demotion. The employee's salary remains the same and shall not be reduced without the employee's permission.
- **(b) Transfer to a Higher Grade** A transfer to a job with a higher maximum salary is considered a promotion for a permanent employee. In this situation, the employee's pay shall be set in accordance with Rule 6.7.
- **(c) Transfer to a Lower Grade** When an employee is transferred to a job with a lower maximum salary, it is considered a demotion. The employee's pay shall be set in accordance with Rule 6.10.
- **(d) Pay Upon Reassignment** Reassignment is defined by Rule 1.33 as "the change within the same department of a probationary or permanent employee from a position in one job to another position in a different job, both jobs of which have the same maximum rate of pay." This rule provides that the rate of pay shall not be changed when an employee is reassigned, unless the employee gives his permission.
- **(e) Holiday and Leave Payments Upon Transfer** This rule designates that the employee's former agency is responsible for payment of holidays and/or regular days off that fall between the transferred employee's last day worked at the former department and his first day worked in his new department.

NOTE: It is recommended that when employees transfer between agencies and a holiday occurs on the proposed effective date, agencies coordinate the movement in accordance with the rules and keep in mind agency liability for day-off and holiday compensation.

(f) Transfer or Reassignment Involving Base Supplement — This rule stipulates that if an employee with a base supplement transfers or is reassigned to a different job with the same grade, but different or no base supplement, then the salary will either be reduced to the maximum of the range or to a pay rate within the new base supplement, but no higher than his current salary.

Rule 6.10 Rate of Pay Upon Demotion

This rule pertains to the demotion of employees for any reason under any circumstances. Demotion is defined by <u>Rule 1.11</u> as "a change of a permanent or probationary employee from a position in one job to a position in another job which is assigned to a pay grade with a lower maximum."

- **(a) Pay Upon Demotion** If the demotion is to a job with a lower maximum in either the same pay schedule or in another pay schedule, the pay is reduced by at least 7%, but cannot be less than the grade minimum.
- (b) Repealed, effective September 9, 2003.
- (c) Repealed, effective September 9, 2003.
- **(d) Exceptions for Voluntary Demotions** Appointing authorities may grant exceptions to pay reductions required by Rule 6.10(a) for voluntary demotions. As a part of a formal written policy, an Appointing Authority may waive a pay increase on promotion for an employee who has been demoted without a decrease in pay within a six-month period.

NOTE: While an agency is only required to have a formal written policy for 6.10(d), it is recommended that agencies establish a policy that outlines the method and process for all aspects of Rule 6.10 to ensure uniform application.

Rule 6.11 Rate of Pay on Detail to Special Duty

This rule governs the pay of employees who are detailed to special duty. A detail to special duty signifies the appointment of an employee to a "temporary" assignment with some anticipated end to the assignment. Meanwhile, consideration must be given to the employee's entitled salary in his permanent position while applying appropriate compensation for the temporary assignment, when applicable.

An employee's pay remains the same when detailed to a job having an equivalent or lower pay grade maximum. If the employee is detailed to a job with a higher pay grade maximum, his salary while on detail should be set in accordance with Rule 6.7 and align with the agency's policy on promotional pay.

This rule also applies when the implementation of a job study or new pay schedule changes the relationship between the regular job (the position the employee is "detailed from") and

the detail job (the position the employee is "detailed to"). Agencies should calculate the impact of job study or pay schedule changes on the pay rate of employees who are on detail to special duty.

NOTE: While employees may be temporarily assigned on detail to special duty to a higher level position, the appointing authority has the discretion to assign the employee to the higher level without compensation not to exceed 30 days. If the detail continues beyond 30 days, the appointing authority is required to provide compensation in accordance with Civil Service Rule 6.7 when applicable.

- (a) Pay Increases in the Regular Position While on Detail to Special Duty Temporary pay increases received by the employee while on detail do not affect the employee's eligibility for pay increases that he would have acquired in his regular job had he not been on detail to special duty. For example, an employee may receive his performance adjustment for his regular job while he is on detail to special duty and receive the performance adjustment in his detailed position. Pay increases in the regular position while on detail are calculated on the employee's regular rate of pay and pay increases in the detailed position are calculated on the employee's pay rate while on detail. Refer to Rule 6.14 (k).
- **(b) Pay Upon Conclusion of Detail to Special Duty** When a detail to special duty ends, the employee's pay will revert back to his authorized pay in his regular position.

Rule 6.12 Compensation for Part-Time Services

Part-time employees (those who work fewer than 40 hours per week) must be paid the appropriate hourly rate for their job title. If employees start work in the middle of the pay period, they are to be paid for the number of days worked in that specified pay period.

- (a) This rule requires the part-time employee to receive compensation based on the appropriate hourly rate.
- (b) This rule requires the appointing authority to certify to the Director on each notice of appointment or change in status of the part-time employee the percent of full-time hours to be worked on each part-time employee.
- (c) An employee paid on a monthly or semi-monthly basis who is employed for only part of a pay period shall be paid for the proportionate calendar days worked.

NOTE: Compensation for a part-time employee is calculated the same as if the employee were full-time. The actual compensation, regardless of the payroll schedule on which the distribution occurs, should still be based on the actual hourly rate of the employee. Further information regarding Salary Calculation may be found in <u>Job Aids and Resources:</u> <u>Calculating Pay for Classified Employees</u>.

Rule 6.12.1 Compensation for Holidays

Employees are paid for observed holidays, unless one of the following provisions applies:

- (a) The employee's regular work schedule averages less than 20 hours a week.
- (b) The employee is on a Classified WAE appointment.
- (c) The employee is on leave without pay immediately preceding **AND** following a holiday period.
- (d) The employee is on an intermittent work schedule.

Rule 6.13 Certification and Payment

- (a) No employee shall receive any compensation except as authorized by or pursuant to the provisions of Article X, the Civil Service Rules, the Uniform Classification and Pay Plans, and the policies and procedures issued by the Director. This means that classified employees are not authorized to receive any pay that is not authorized by one of these rules in Chapter 6.
- (b) If payments to an employee are found to have been made in violation of the provisions of Article X, the Civil Service Rules, the Uniform Classification and Pay Plans, or the policies and procedures issued by the Director, the Director may take any corrective action he deems appropriate or may direct the appointing authority to take such corrective action. Corrective actions may include, but are not limited to, the rescinding of any actions and associated compensation, or restitution to the employee.

NOTE: When payments are found to have been made in violation of the pay rules, the Director will require the employee's salary to be adjusted accordingly on the appropriate effective date to be in compliance with the appropriate rule. Overpayments as a result of the adjustment, however, and recoupment of overpayments are governed by <u>La. R.S.</u> <u>42:460</u> and rules established by the Office of the Governor, Division of Administration, Office of State Uniform Payroll, for the 20 major departments of state government and the Executive Office and other subdivisions. Further information regarding Recoupment of Overpayments can be found in <u>LAC 4:III, Chapter 7</u> of the Louisiana Administrative Code.

Rule 6.14 Performance Adjustments

A performance adjustment is a 4 percent increase to an employee's base pay provided the employee's performance merits such an award. To gain eligibility for a performance adjustment the classified employee must have been in active status as of <u>June 30th of the performance evaluation year</u>, except for those serving as classified When Actually Employed (WAE) employees, and must have gained an evaluation of Successful or higher. The performance adjustment is awarded at the completion of a

performance year and on one focal date for all state classified employees which is October 1st of each year.

Performance adjustments are not to be considered automatic in nature. They are not a vested right or entitlement of any employee. Such increases should be merited by the employee's performance on the job through the achievement of performance expectations that align with the agency's organizational mission <u>and are decided by the Appointing Authority of the agency</u>.

The Civil Service Rules do not require the granting of a performance adjustment to any employee. Each employing department and agency has complete administrative discretion as to the granting of performance adjustments, once eligibility has been gained for such an increase under the Civil Service Rules. If performance adjustments are withheld, it should be for business related reasons. Decisions regarding performance adjustments cannot be based on discrimination, i.e. based on the employee's political or religious beliefs, race, or sex.

- **(a) Employee Eligibility for a Performance Adjustment** This rule requires the classified employee, except for those serving as classified WAE employees, to be in active status as of June 30th of each performance year in order to be eligible for a performance adjustment. It also provides that the appointing authority may grant a performance adjustment if the employee's performance merits such an award.
- (b) Repealed effective July 1, 2012.
- **(c) Authorized Rate for Performance Adjustment** This rule requires the performance adjustment to be a 4 percent increase to an employee's base pay.
- (d) Repealed effective July 1, 2012.
- **(e) Performance Adjustment When Employee Near Grade Maximum** When an employee closely approaches the maximum of the established pay grade for his job or the maximum of the approved base supplement, his performance adjustment may be less than 4 percent if the full 4 percent increase would extend the employee's pay beyond the respective maximum. In other words, the employee's pay cannot exceed the maximum of the pay range. Therefore, if receiving a full 4 percent increase would cause the pay rate to exceed the maximum of the pay range, the employee's increase could be less than 4 percent to reach the maximum of the range. Refer to Rule 6.4.
- **(f) Performance Adjustments for Military Personnel Called to Active Duty** An employee on military leave under the provisions of Rule 11.26 is treated as though he never left on such leave as it relates to pay, which includes performance adjustments. An employee who is called to active military duty and is then separated from state service under the provisions of Rule 11.26(c) may be restored to the classified service under the provisions of Rule 23.15. An employee's performance adjustments shall not be interrupted by time served in the military if he is reemployed under the provisions of Rule 23.15. Refer

to Rule 6.5(e). While the employee may attain eligibility for a performance adjustment, it is still the appointing authority's discretion as to whether the performance adjustment will actually be granted or not.

NOTE: As stated in Rule 6.5, an appointing authority's discretion cannot be applied in regards to the application of performance adjustments for employee's returning from military service. If the appointing authority granted performance adjustments to employees, any employee returning from military service shall have his pay adjusted accordingly. *Performance adjustments for employees on military leave shall be entered into the LaGov HCM system at the time they are granted.*

- (g) Repealed effective July 1, 2012.
- **(h) Performance Adjustments and Other Pay Increases** This rule provides that other pay increases shall not affect an employee's eligibility for a performance adjustment unless specified by another rule. If an employee receives a promotion, a reallocation or any other pay increase, he may still receive a performance adjustment.
- (i) The Effect of a Substandard Performance Evaluation An employee who has an official overall Performance Evaluation of "Needs Improvement/Unsuccessful" or its equivalent shall not be eligible for a performance adjustment under the provisions of this rule.
- (j) Repealed effective July 1, 2012.
- **(k) Performance Adjustment While on Detail To Special Duty** If an employee is on detail to special duty in a job assigned to a higher pay grade and he is eligible for a performance adjustment and granted a performance adjustment, his pay while on detail is adjusted by calculating the performance adjustment against his current rate of pay in the higher job. His pay in the permanent (home) position, however, reflects a performance adjustment calculated on the rate of pay in the permanent (home) position.
- Rule 6.14.1 Repealed effective December 12, 2012.

Rule 6.14.2 Expired by operation of rule on June 30, 2017.

Rule 6.14.3 Suspension of Performance Adjustments

All provisions of the Performance Adjustment Rule shall be suspended for the period of June 29, 2017 through June 30, 2018. During this period of suspension, no employee may gain eligibility for a performance adjustment.

Rule 6.15 Red Circle Rates

A red circle rate is defined by <u>Rule 1.33.01</u> as "an individual pay rate, excluding those that fall within the base supplement authorized for a position, that is above the maximum of a pay range for a grade; or, only under conditions as specified in Rule 6.15(d), an individual pay rate that is above the base supplement authorized for a position."

NOTE: Red circle rates do not apply to voluntary demotions.

These rates remain in effect until the pay range maximum or authorized base supplement maximum catches up with the red circle rate. This means an employee who has a red-circle rate remains above the maximum of the range until the range catches up with his pay and he is no longer above the maximum or authorized base supplement maximum. Eligibility for a red circle rate is lost upon separation from state service or demotion.

Pay is frozen at a red circle rate when:

- (a) The employee's job is assigned to a lower pay grade.
- (b) The employee's position is reallocated or job corrected to a job with a lower pay grade maximum.
- (c) An adjustment to the pay structure results in a lower minimum and maximum for an employee's job (this does not include base supplement).
- (d) An employee's position is declared to be in the classified service through an acquisition, merger or consolidation under <u>Chapter 24 rules</u>, and the employee's pay falls above the maximum or above the authorized base supplement for the classified job.
 - A red circle rate that is given as a result of acquisition, merger, or consolidation which falls under Chapter 24 rules, and is greater than 28 percent above the range maximum, is reduced after two years to a figure not more than 28 percent above the employee's current maximum or to the maximum of the base supplement, whichever is higher.
 - This reduction is not eligible for reinstatement as discussed in Rule 6.15(g).
- (e) An employee's pay exceeds the maximum of an approved market grade.
- (f) Repealed November 6, 2013.
- (g) An appointing authority may request authority from the Commission to reinstate red circle rates (except when they occur as a result of an acquisition, merger or consolidation in accordance with Chapter 24 rules), awarded for two years which have expired when the employee's pay continues to be lower than the previously authorized red circle rate. Any approval granted shall be prospective from the date of Commission action. Eligibility for reinstatement is lost upon separation from state service or demotion.

(h) This rule means red circle rates which were in effect on June 8, 1994, (the date this rule was amended to provide for a continuous red circle rate) are extended to be continuous red circle rates until the range catches up for as long as that takes.

Rule 6.16 Special Pay Provisions

Under conditions described below, the Commission may authorize special pay considerations, beyond those already prescribed in these rules.

(a) Premium Pay

This rule provides options for Agencies to consider premium pay to address a number of issues, such as recruiting and retention problems, hazardous duty, difficult work environment and/or location, extraordinary duties, market pay conditions, and the application of educational and/or training credentials. Premium Pay is not generally included in retirement calculations but that depends on the retirement system of which the employee is a member. Premium pay is not incorporated in base pay. Additionally, agencies may opt to grant rewards for the attainment of educational and/or training credentials under Rule 6.16.1 for Rewards and Recognition.

- (b) Repealed, effective January 1, 2000.
- (c) Individual Pay Adjustment

This rule addresses pay issues, which cannot otherwise be addressed under State Civil Service Rule 6.16.1 for Rewards and Recognitions or Rule 6.16.2 for Optional Pay Adjustments. Proposed adjustments cannot extend beyond the range maximum and the State Civil Service Commission must approve all Individual Pay Adjustments prior to implementation. Through General Circular 1461, the Commission has established specific reasons when use of Individual Pay Adjustments may be appropriate:

- To correct mechanics of the pay plan and/or results of classification procedures
- To address hiring/recruitment problems that cannot be addressed by other rules
- Retention of an employee deemed critical to the agency
- Work Performance
- (d) An appointing authority may, after presenting justifiable reasons in writing to the Commission, and with the Commission's approval, pay an incentive award at any time that the justifications have been shown.
- (e) Special pay rates authorized by this Rule shall not be effective until after approval by the Commission at a public hearing.
- (f) Rate of Pay Upon Approval of Base Supplement

This rule addresses retention and recruiting problems by allowing agencies to extend the maximum salary of a pay grade as a result of market conditions. Base supplement is typically used after other pay options have been exhausted. Base supplements target specific positions and/or geographic areas and do not require statewide, systemic implementation. The appointing authority must request approval of the Commission. Any Commission approved base supplement must also be approved by the Governor before it becomes effective.

- 1. This rule allows for an employee whose position has been authorized for base supplement to receive additional pay based on other provisions of the Chapter 6 rules. The additional pay given may be up to the highest rate within the base supplement and in accordance with any special provisions and conditions specified by the Commission.
- 2. This rule provides that an employee who occupies a position at the time its base supplement authority is rescinded or adjusted downward by the Commission shall have his salary set in accordance with the provisions and conditions specified by the Commission.
- 3. An employee who occupies a position at the time its base supplement authority is moved upward shall have his salary remain the same, unless he retains eligibility for other adjustments authorized under other provisions of the Rules and unless the salary is set in accordance with any special provisions and conditions specified by the Commission.

NOTE: Guidelines for implementing the base supplement under this rule can be found in <u>Procedures: Base Supplement Policy Standards</u>.

(g) Pay for Employees at Range Maximum

This rule is meant to reward those employees who have achieved at least 12 years of continuous State service <u>AND</u> have reached the maximum of their pay <u>AND</u> have continued to exhibit satisfactory performance for a period of at least three years, <u>AND</u> have been at the same maximum or pay rate for a period of three years. This rule is at the discretion of the appointing authority and is a lump sum payment of up to 4 percent of the employee's base salary. An employee can only receive this increase every three years.

NOTE: The following rules allow agencies to utilize various mechanisms to reward or recognize its employees, make counter-offers to job offers made to existing employees, compensate employees for additional duties, address recruitment difficulties, and grant employees compensation for cost savings resulting from exceptional ideas. The Commission must approve all policies established according to these rules prior to any payments being made to employees.

(h) Payment for Attainment of Advanced Degree

This rule allows an Appointing Authority to grant an award of up to 10 percent of an employee's base salary for attaining a job-related Master's or Ph.D. degree. Further information on implementation and procedures is available in Procedure: Payment for Attainment of Advanced Degree Policy Standards.

Rule 6.16.1 Rewards and Recognition

This rule assists agencies with the recruiting and retention of employees. It provides for monetary and non-monetary rewards for specific, work-related achievements. The value of the monetary reward may be a lump sum up to 10 percent of the employee's base salary. Further information on implementation and procedures is available in Procedures: Rewards and Recognition Policy Standards.

Rule 6.16.2 Optional Pay Adjustments

This rule assists agencies with recruiting and retention issues by allowing agencies to grant lump sum or base pay adjustments to employees for additional duties, to match a job offer, for salary compression, or to recruit into difficult to fill positions. Further information regarding optional pay guidelines is available in Procedures: Optional Pay Adjustments Policy Standards.

Rule 6.16.3 Exceptional Performance and Gainsharing

Through the Louisiana Government Performance and Accountability Act, this rule establishes an incentive program designed to encourage increased efficiency and better performance in governmental operations. Further information and guidelines for use of this optional pay item can be found in Procedures: Exceptional Performance and Gainsharing Policy Standards.

Rule 6.17 Pay on Entering the Classified Service Under the Provisions of Rule 24.2

When entities are acquired into state government or when state agencies are transferred to other departments or agencies, certain rights are retained by state classified employees. These transfers or acquisitions are discussed in Chapter 24 of the Civil Service Rules and in this handbook. This rule provides that when an employee enters the classified service under the provisions of Rule 24.2 because his position has been declared to be in the classified service, he shall have his pay established as follows:

- (a) If the employee's rate of pay falls within the range, or within the range plus the authorized base supplement for the position allocated, his rate of pay shall remain the same.
- (b) If the employee's current rate of pay is below the range minimum, it shall be brought to the range minimum or interim minimum if such is in effect at the time.

(c) If the employee's current rate of pay is above the range maximum or above the range maximum plus the base supplement authorized for the position allocated, Rule 6.15 shall apply.

Rule 6.25 Repealed and Re-enacted in Rules 21.10 and 21.11, effective December 31, 2003.

Rule 6.26 Repealed and Re-enacted in Rule 21.2, effective December 31, 2003.

Rule 6.27 Repealed and Re-enacted in Rules 21.7 and 21.12, effective December 31, 2003.

Rule 6.28 Compensation for On-Call Duty/Shift Work

Subject to the provisions of Rule 6.29,

- (a) The purpose of this rule is to recruit job applicants and retain current employees by providing higher pay for shift work and non-standard work hours.
- (b) This rule allows higher pay or compensatory time off for being in on-call status beyond regularly scheduled work hours.
- (c) This rule allows an agency to set pay differentials based on the shift that employees are assigned to work.

NOTE: Further information and guidelines for use of on-call and shift work compensation is found in <u>Procedures: On-Call Duty/Shift Work Policy Standards.</u>

Rule 6.29 Corrective Pay Actions

This rule describes what occurs when personnel transactions require correction or are not in compliance with the Civil Service Rules.

- (a) This rule provides for the Director to revoke the authority granted to an appointing authority when the Director determines that such discretion has been abused.
- (b) This rule provides the authority to reduce an employee's pay when it is determined that the employee has benefited from increased pay as a result of either a violation of these Rules, or an abuse of the discretion granted in these Rules.

Rule 6.30 Pay adjustment if within \$20 of range maximum or highest rate within the base supplement

In order to avoid excessive administrative costs, an appointing authority may adjust an employee's salary to the monthly range maximum or highest rate within the base

supplement authorized for a position when any personnel transaction results in a salary increase which is within \$20 of that monthly range maximum or highest rate within the base supplement.

Rule 6.31 Pay for Employees Appointed at Range Minimum

The purpose of this rule is to provide an Appointing Authority with an optional recruitment and retention tool for employees appointed at the minimum of a pay grade in the following types of appointments:

- Job Appointment
- Probational Appointments
- Promotional Appointments

Rule 6.31 allows an Appointing Authority to grant a 2% base pay increase to an employee who was appointed at the minimum of the pay range and has served at least six months in the appointment. Payment may only be granted within the first twelve months of the effective date of the appointment. The employee must be in the same position that made him eligible for Rule 6.31 on the date the payment is granted. All payments shall be made prospectively. Employees appointed under State Civil Service Rule 6.5(b), Special Entrance Rates, are not eligible for payment under Rule 6.31.

NOTE: In order to ensure uniform application for all employees in the same job title who are appointed at the minimum of the pay range, agencies must have a posted policy in effect prior to granting payments under this rule. Sample policies can be found in Procedures: Pay for Employees Appointing at Range Minimum Policy Standards.

Procedures

- Base Supplement Policy Standards
- Exceptional Performance and Gainsharing Policy Standards
- Market Grade Adjustment Policy Standards
- On-Call Duty/Shift Work Policy Standards
- Optional Pay Adjustments Policy Standards
- Pay for Employees Appointed at Range Minimum Policy Standards
- Payment for Advanced Degree Policy Standards
- Premium Pay Policy Standards
- Rewards and Recognition Policy Standards

Job Aids and Resources

• Pay Plan Preparation

- o Pay Plan Amendments
- o Pay Plan Preparation Related Items
 - Occupational Group
 - Equal Employment Opportunity (EEO)

• State Civil Service Pay Structures

- o Administrative (AS) Effective date 01/02/18
- o Medical (MS) Effective date 01/02/18
- o Protective Services (PS) Effective date 01/02/18
- o Scientific and Technical (TS) Effective date 01/02/18
- Social Services (SS) Effective date 01/02/18
- o Technician and Skilled Trades (WS) Effective date 01/02/18
- o Pay Grid Archives
- o <u>State Civil Service Pay Plan</u>

Pay

- o Premium Pay [CSR 6.16(a)]
 - Premium Pay Questionnaire
- Optional Pay Adjustments [CSR 6.16.2]
 - Calculating Lump Sum Optional Pay for Temporary Additional Duties
 - FAQs Optional Pay Adjustments
 - Optional Pay Adjustment Questionnaire for Additional Duties
 - Sample Policy Optional Pay Adjustment

Miscellaneous Aids and Resources

- Operational Pay Rules vs. Optional Pay Rules
- Flexible Pay Tools and Policy Requirements
- Ready Reference for Pay
- Other Compensation Position Earning Types
- Transfers LaGov HCM Actions vs. Personnel Actions
- <u>Calculating Salary for Classified Employees</u>
- Formulas for Calculating Pay